

# **FISCAL NOTE**

## **HB 1459 - SB 1722**

March 24, 2001

### **SUMMARY OF BILL:**

- authorizes the Department of Revenue to continue participation in multi-state discussions concerning streamlining and simplification of sales and use tax administration that were outlined in Chapter 631 of the Public Acts of 2000 and is cited as the Streamlined Sales Tax System for the Twenty-First Century Act.
- requires public and private studies of the effects of the Streamlined Sales Tax Project to be completed by July 1, 2002.

Under existing law, TCA Title 67, Chapter 6, Part 8, required the Commissioner of Revenue to enter into discussions with states to develop a multi-state, voluntary, streamlined system for sales and use tax collection and administration.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Expenditures - Not Significant**

Costs to continue participation in the development of a proposed system are estimated to be not significant.

**Note:** If recommendations of the task force are adopted, there is the potential for a significant increase in revenues from collection of state and local sales and use taxes from the sale of items through electronic commerce. The amount of such collections would depend on the recommendations made and adopted. Any increased administrative cost to adopt such recommendations is estimated to be less than revenues that would be collected as a result of adopting the recommendations.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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